
Utilities

MISSION STATEMENT

The goals of the County Government relating to utility consumption are to:

- achieve energy savings by the elimination of wasteful or inefficient operation of building systems;
- continue improvements in energy efficiency in all County operations; and
- obtain required energy fuels at the most favorable cost to the County.

HIGHLIGHTS

This budget funds the utility costs for 235 (General Fund) facilities with approximately 5,184,578 total square feet, and over 65,225 streetlights and 756 traffic controlled signalized intersections.

BUDGET OVERVIEW

The FY09 recommended budget for the tax supported Utilities non-departmental account (NDA) is \$25,866,880, an increase of \$1,456,130 or 6.0 percent from the FY08 approved budget of \$24,410,750. Allocation of these utilities expenditures is approximately: electricity, 86.9 percent; natural gas, 9.0 percent; water and sewer, 3.6 percent; and fuel oil 0.5 percent. The total increase is due to unit rate cost increases, and from new or annualized facilities, streetlights, or traffic signals.

The FY09 recommended budget includes County government utilities expenditures for both tax and non-tax supported operations. Tax supported utilities expenditures related to the General Fund departments are budgeted in the Utilities NDA, while utilities expenditures related to special fund departments are budgeted in those funds. Some of these special funds, such as Recreation and portions of the Department of Public Works and Transportation, are tax supported. Other special funds, such as Solid Waste, are not supported by taxes, but through user fees or charges for services.

Utilities expenditures are also found in the budgets of other County agencies: Montgomery County Public Schools (MCPS), Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and the Maryland-National Capital Park and Planning Commission (M-NCPPC). The total budget request for these "outside" agencies is \$77,201,270 which includes the entire bi-county area of WSSC.

The FY09 recommended tax supported budget for Utilities Management, including both the General Fund NDA (\$25,866,880) and the other tax supported funds (\$2,209,920), is \$28,076,800, an increase of \$1,458,130 or approximately 5.5 percent from the FY08 approved utilities budget. The FY09 recommended budget for non-tax supported utilities expenditures is \$4,640,640, a decrease of \$31,950 or -0.7 percent from the FY08 approved budget.

In both the tax and non-tax supported funds, increased utilities expenditures result primarily from higher commodity unit costs due to market price fluctuations; greater consumption due to new facilities or services; and in some cases, a more precise alignment of budgeted costs with actual prior-year expenditures by utility type. Energy conservation and cost-saving measures (e.g., new building design, lighting technology, energy and HVAC management systems) help offset increased utility consumption or unit costs.

The Executive is recommending no change to the County's Energy Tax rate structure this fiscal year. The County's Interagency Committee on Energy and Utility Management (ICEUM) is currently projecting a cost change potential for Electricity (-3.1%), Fuel Oil (14.3%), Natural Gas (-3.2%), and Water and Sewer (8.0%). These projections reflect market concern about current world events on the commodities futures markets, or anticipated unit price changes by service providers. According to ICEUM, Motor Fuels, consisting of Unleaded Gasoline, Diesel, and Compressed Natural Gas, are expected to fluctuate upward based on current market trends. These fuels are purchased from various providers, and are budgeted in the DPWT Division of Fleet Management Services; not the General Fund Utilities NDA. ICEUM also monitors changes in energy costs in the current year and will recommend appropriate changes, if necessary, prior to final Council approval of the FY09 budget.

The following is a description of utility service requirements for departments which receive tax or non-tax supported appropriations for utilities expenditures. The utilities expenditures for the non-tax supported operations are appropriated within their respective operating funds but are described in the combined utilities presentation for reader convenience.

TAX SUPPORTED

Department of General Services

The Department of General Services is responsible for managing all utilities for general County operations including all County office buildings, police stations, libraries, health and human services facilities, correctional facilities, maintenance buildings, and warehouses.

Department of Transportation

The Department of Transportation manages all County streetlights, traffic signals, traffic count stations, and flashing school signs. The utilities expenditures for these devices are budgeted here as this section designs, installs, controls, and maintains them. In addition, minimal utility costs for the Operations Center and Highway Maintenance Depots are budgeted in the Traffic Engineering component of the General Fund non-departmental account.

Division of Transit Services - Mass Transit

The Department of Transportation Mass Transit Facilities Fund supports all utilities associated with the Ride On transit centers and Park and Ride Lots.

Recreation

The Department of Recreation funds all utility costs for its recreational facilities located throughout the County, such as swimming pools, community recreation centers, and senior citizen centers.

Urban Districts

Urban District utilities are supported by Urban District Funds, which are included in the operating budget for Regional Services Centers.

NON-TAX SUPPORTED

Fleet Management Services

The Department of General Services - Fleet Management Services utility expenditures are displayed in the Special Fund Agencies - Non-Tax Supported section, to reflect that Fleet Management Services expenditures are not appropriated directly but in the budgets of other departments.

The Department of General Services - Fleet Management Services Motor Pool Internal Service Fund supports all utilities associated with the vehicle maintenance garages in Rockville, Silver Spring, and Gaithersburg. Fuel for the County's fleet is also budgeted in that special fund, but these costs are not included in the utilities expenditures displayed in this section.

Parking Districts

The Parking Districts fund utility expenditures associated with the operation of all County-owned parking garages and parking lots.

Liquor Control

The Department of Liquor Control funds utility expenditures associated with the operation of the liquor warehouse, administrative offices, and the County-owned and contractor-operated retail liquor stores.

Solid Waste Services

Solid Waste Services funds utility expenditures associated with the operation of the County's Solid Waste Management System. Utilities expenditures associated with the operation of the Oaks Sanitary Landfill maintenance building, the County's Recycling Center, the Resource Recovery Facility, and most of the Solid Waste Transfer Station are currently the responsibility of the operators. Only the site office and maintenance depot costs continue to be budgeted as an identifiable utilities expenditure in the Solid Waste Disposal Fund.

Other Agencies

Utilities for MCPS, Montgomery College, (bi-county) WSSC, and M-NCPPC are displayed in the charts on the following pages. These are the amounts requested in the budgets of those agencies.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

❖ ***A Responsive, Accountable County Government***

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***This budget funds the utility costs for 235 facilities with approximately 5,184,578 total square feet, and over 65,225 streetlights and 756 traffic controlled signalized intersections.***
- ❖ ***The Division of Operations is the lead agency to conduct electricity procurement activities for the County's big six agencies plus twelve municipalities including Prince George's County and the Town of College Park. Since 2000 Montgomery County and the rest of the aggregation group members, have been successful in cost avoidance savings for the purchase of electricity supply.***

PROGRAM CONTACTS

Contact Bryan Hunt of the Office of Management and Budget at 240.777.2770 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Utilities (for All General Fund Departments)

The Utilities non-departmental account provides the General Fund operating expense appropriation for the Department of Public Works and Transportation, Division of Operations. The utilities expenditures for other non-tax supported operations and other agencies are appropriated within their respective department or agency.

BUDGET SUMMARY

	Actual FY07	Budget FY08	Estimated FY08	Recommended FY09	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
County General Fund Personnel Costs	0	0	0	0	—
Operating Expenses	23,619,090	24,410,750	24,410,750	25,866,880	6.0%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	23,619,090	24,410,750	24,410,750	25,866,880	6.0%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—

FY09 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY08 ORIGINAL APPROPRIATION	24,410,750	0.0
Other Adjustments (with no service impacts)		
Increase Cost: Combination of rate and consumption changes	1,456,130	0.0
FY09 RECOMMENDED:	25,866,880	0.0

FUTURE FISCAL IMPACTS

Title	CE REC. FY09	FY10	FY11	(\$000's) FY12	FY13	FY14
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY09 Recommended	25,867	25,867	25,867	25,867	25,867	25,867
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	25,867	25,867	25,867	25,867	25,867	25,867

COUNTY UTILITIES EXPENDITURES

EXPENDITURES BY DEPARTMENT/AGENCY

	ACTUAL FY06	ACTUAL FY07	BUDGET FY08	RECOMMENDED FY09	CHANGE BUD/APPR	% CHANGE REC/APPR
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Facilities	11,129,242	14,091,953	15,003,300	15,205,480	202,180	1.3%
Traffic Signals and Streetlighting	7,323,772	9,527,137	9,407,450	10,661,400	1,253,950	13.3%
GENERAL FUND NDA EXPENDITURES	18,453,014	23,619,090	24,410,750	25,866,880	1,456,130	6.0%
OTHER TAX SUPPORTED OPERATIONS						
Transit Services	63,591	71,775	66,000	68,000	2,000	3.0%
Recreation	2,312,059	2,761,999	2,141,920	2,141,920	0	0.0%
Urban Districts Funds	2,700	3,050	0	0	0	0.0%
SUBTOTAL	2,378,350	2,836,824	2,207,920	2,209,920	2,000	0.1%
TOTAL TAX SUPPORTED	20,831,364	26,455,914	26,618,670	28,076,800	1,458,130	5.5%
COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS						
Fleet Management Services	680,980	781,388	1,047,460	1,047,460	0	0.0%
Parking Districts	2,118,170	2,829,370	2,536,580	2,536,580	0	0.0%
Liquor Control	661,707	834,840	884,160	884,160	0	0.0%
Solid Waste Services	150,030	137,353	204,390	172,440	(31,950)	-15.6%
TOTAL NON-TAX SUPPORTED	3,610,887	4,582,951	4,672,590	4,640,640	(31,950)	-0.7%
SUMMARY - COUNTY GOVERNMENT						
TOTAL TAX SUPPORTED	20,831,364	26,455,914	26,618,670	28,076,800	1,458,130	5.5%
TOTAL NON-TAX SUPPORTED	3,610,887	4,582,951	4,672,590	4,640,640	(31,950)	-0.7%
TOTAL COUNTY GOVERNMENT	24,442,251	31,038,865	31,291,260	32,717,440	1,426,180	4.6%
OTHER AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Montgomery County Public Schools	33,436,257	36,917,590	41,755,470	41,850,790	95,320	0.2%
Montgomery College	4,182,368	5,212,862	5,937,130	6,753,480	816,350	13.7%
Washington Suburban Sanitary Commission	20,489,000	21,376,000	23,028,000	24,678,000	1,650,000	7.2%
M-NCPPC	3,251,819	3,255,010	3,642,110	3,919,000	276,890	7.6%
TOTAL OTHER AGENCIES EXPENDITURES	61,359,444	66,761,462	74,362,710	77,201,270	2,838,560	3.8%
TOTAL UTILITIES EXPENDITURES	85,801,695	97,800,327	105,653,970	109,918,710	4,264,740	4.0%

COUNTY UTILITIES EXPENDITURES

EXPENDITURES BY ENERGY SOURCE

	ACTUAL FY06	ACTUAL FY07	BUDGET FY08	RECOMMENDED FY09	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Electricity	15,017,041	20,471,496	21,075,290	22,471,430	1,396,140	6.6%
Water & Sewer	864,991	815,166	1,005,960	936,350	(69,610)	-6.9%
Fuel Oil	150,205	75,150	155,000	123,750	(31,250)	-20.2%
Natural Gas	2,419,925	2,257,278	2,174,500	2,334,350	159,850	7.4%
Propane	852	0	0	1,000	1,000	
GENERAL FUND NDA EXPENDITURES	18,453,014	23,619,090	24,410,750	25,866,880	1,456,130	6.0%
OTHER TAX SUPPORTED OPERATIONS						
Electricity	1,350,483	1,870,150	1,498,290	1,508,290	10,000	0.7%
Water & Sewer	229,218	304,571	322,990	322,990	0	0.0%
Fuel Oil	0	0	19,930	19,930	0	0.0%
Natural Gas	798,649	662,103	366,710	358,710	(8,000)	-2.2%
Propane	0	0	0	0	0	
SUBTOTAL	2,378,350	2,836,824	2,207,920	2,209,920	2,000	0.1%
TOTAL TAX SUPPORTED	20,831,364	26,455,914	26,618,670	28,076,800	1,458,130	5.5%
NON-TAX SUPPORTED OPERATIONS						
Electricity	3,045,984	4,005,863	4,016,430	3,976,110	(40,320)	-1.0%
Water & Sewer	124,399	144,882	226,210	227,340	1,130	0.5%
Fuel Oil	0	0	0	0	0	
Natural Gas	440,504	432,206	428,910	436,150	7,240	1.7%
Propane	0	0	1,040	1,040	0	0.0%
TOTAL NON-TAX SUPPORTED	3,610,887	4,582,951	4,672,590	4,640,640	(31,950)	-0.7%
SUMMARY - COUNTY GOVERNMENT						
Electricity	19,413,508	26,347,509	26,590,010	27,955,830	1,365,820	5.1%
Water & Sewer	1,218,608	1,264,619	1,555,160	1,486,680	(68,480)	-4.4%
Fuel Oil	150,205	75,150	174,930	143,680	(31,250)	-17.9%
Natural Gas	3,659,078	3,351,587	2,970,120	3,129,210	159,090	5.4%
Propane	852	0	1,040	2,040	1,000	96.2%
TOTAL COUNTY GOVERNMENT	24,442,251	31,038,865	31,291,260	32,717,440	1,426,180	4.6%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Electricity	44,877,108	50,863,378	57,483,640	59,895,020	2,411,380	4.2%
Water & Sewer	2,747,201	3,014,593	3,080,200	3,360,960	280,760	9.1%
Fuel Oil	531,924	392,277	1,034,340	784,900	(249,440)	-24.1%
Natural Gas	12,965,881	12,249,879	12,553,720	12,942,230	388,510	3.1%
Propane	237,330	241,335	210,810	218,160	7,350	3.5%
SUBTOTAL	61,359,444	66,761,462	74,362,710	77,201,270	2,838,560	3.8%
TOTAL UTILITIES EXPENDITURES						
Electricity	64,290,616	77,210,887	84,073,650	87,850,850	3,777,200	4.5%
Water & Sewer	3,965,809	4,279,212	4,635,360	4,847,640	212,280	4.6%
Fuel Oil	682,129	467,427	1,209,270	928,580	(280,690)	-23.2%
Natural Gas	16,624,959	15,601,466	15,523,840	16,071,440	547,600	3.5%
Propane	238,182	241,335	211,850	220,200	8,350	3.9%
TOTAL UTILITIES EXPENDITURES	85,801,695	97,800,327	105,653,970	109,918,710	4,264,740	4.0%